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International Business Environment Physical and Societal Factors

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Introduction:

International business is a term used to collectively describe all commercial transactions (private and governmental, sales, investments, logistics, and transportation) that take place between two or more regions, countries and nations beyond their political boundary. Usually, private companies undertake such transactions for profit; governments undertake them for profit and for political reasons. It refers to all those business activities which involves cross border transactions of goods, services, resources between two or more nations. Transaction of economic resources include capital, skills, people etc. for international production of physical goods and services such as finance, banking, insurance, construction etc. The conduct of international operations depends on companies' objectives and the means with which they carry them out. The operations affect and are affected by the physical and societal factors and the competitive environment.

Industrialization, advanced transportation, globalization, multinational, corporations and outsourcing are all having a major impact on the international trade system. Increasing international trade is crucial to the continuance of globalization. Without international trade, nations would be limited to the goods and services produced within their own borders.

Physical and societal factors

* Political policies and legal practices * Cultural factors * Economic forces * Geographical influences
Political policies and legal practices

Policies can assist in both subjective and objective decision making. Policies to assist in subjective decision making would usually assist senior management with decisions that must consider the relative merits of a number of factors before making decisions and as a result are often hard to objectively test e.g. work-life balance policy. In contrast policies to assist in objective decision making are usually operational in nature and can be objectively tested e.g. password policy. The term may apply to government, private sector organizations and groups, and individuals. Presidential executive orders, corporate privacy policies, and parliamentary rules of order are all ex-

amples of policy. Policy differs from rules or law. While law can compel or prohibit behaviors (e.g. a law requiring the payment of taxes on income), policy merely guides actions toward those that are most likely to achieve a desired outcome.

Policy or policy study may also refer to the process of making important organizational decisions, including the identification of different alternatives such as programs or spending priorities, and choosing among them on the basis of the impact they will have. Policies can be understood as political, management, financial, and administrative mechanisms arranged to reach explicit goal.

Cultural factors

It is a term that has many different inter-related meanings. However, the word "culture" is most commonly used in three basic senses:

- * Excellence of taste in the fine arts and humanities, also known as high culture
- * An integrated pattern of human knowledge, belief, and behavior that depends upon the capacity for symbolic thought and social learning.
- * The set of shared attitudes, values, goals, and practices that characterizes an institution, organization, or group.

Economic forces

Economic forces are the factors that help to determine the competitiveness of the environment in These factors determine an enterprise's volume of demand for its product and affect its marketing strategies and activities. The economic system is made up of three main steps. The first one being production and then there is distribution of the produced goods and then the last step is consumption of the same. Now all this is possible because of two factors- Human resource and Natural resource. Natural resources include the raw material which is generally used in the production process, and human resources help to convert the raw materials to finished products which are then ready for distribution. When an economic activity is carried out, it mostly affects the environment and the effect is adverse. This is the case of a firm which pollutes the environment. The society considers the cost of cleaning up of the environment as a relevant cost but the firm doesn't. But when the negative effects of pollution

and the cost of treatment are added, the total cost most of the times adds up to be more than the production cost. And when this cost is added to the production cost, the overall price becomes higher and leads to a fall in demand of the product. With this again the pollution level is reduced. Taking another example where a firm pollutes and throws its waste in a private pond. The owner of the pond may charge the firm the polluting cost and the firm has to pay. But if the same firm dumps its waste in a river, it does not have to pay anything as the river is a public good. But the dumping of the waste in the river causes many environmental problems. It damages the aquatic life, may lead to a lower water standard and health problems. Hence to reduce the pollution emissions from these firms in water and air, a pollution tax can be charged from these firms which can be indexed (in slabs) in accordance of the pollution level done by the firms.

Geography:

Geography is the science that studies the lands, features, inhabitants, and phenomena of Earth. A literal translation would be "to describe or write about the Earth". The first person to use the word "geography" was Eratosthenes (276-194 BC). Four historical traditions in geographical research are the spatial analysis of natural and human phenomena, area studies, study of man-land relationship, and research in earth sciences. Nonetheless, modern geography is an all-encompassing discipline that foremost seeks to understand the Earth and all of its human and natural complexities-not merely where objects are, but how they have changed and come to be. Geography has been called "the world discipline" and "the bridge between the human and the physical science". Geography is divided into two main branches: human geography and physical geography.

Traditionally, geographers have been viewed the same way as cartographers and people who study place names and numbers. Although many geographers are trained in toponymy and cartology, this is not their main preoccupation. Geographers study the spatial and temporal distribution of phenomena, processes and features as well as the interaction of humans and their environment. As space and place affect

a variety of topics such as economics, health, climate, plants and animals; geography is highly interdisciplinary. Integrated geography is the branch of geography that describes the spatial aspects of interactions between humans and the natural world. It requires an understanding of the traditional aspects of physical and human geography, as well as the ways in which human societies conceptualize the environment.

Integrated geography has emerged as a bridge between human and physical geography as a result of the increasing specialization of the two sub-fields. Furthermore, as human relationship with the environment has changed as a result of globalization and technological change a new approach was needed to understand the changing and dynamic relationship. Examples of areas of research in environmental geography include emergency management, environmental management, sustainability, and political ecology

Conclusion:

Everyone, ideally, would love to live in a pollution-free environment. But technologies used most times do emit pollutants. These pollutants affect human health as well as environment. Hence there is an urgent need to find the optimum economic level of pollution reduction. But with changed circumstances, the optimum level also changes. Due to improved technology the pollution reduction cost will also go down. During the period 1990-2000, 3M Corporation reduced its air pollution by 88%, water pollution by 82% and waste by 35% by using eco efficiency program. Urban planning, regional planning and spatial planning: use the science of geography to assist in determining how to develop the land to meet particular criteria, such as safety, beauty, economic opportunities, the preservation of the built or natural heritage, and so on. The planning of towns, cities, and rural areas may be seen as applied geography. Regional science comprises the body of knowledge in which the spatial dimension plays a fundamental role, such as regional economics, resource management, location theory, urban and regional planning, transport and communication, human geography, population distribution, landscape ecology, and environmental quality.

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